

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No.

**Lehman Brothers Holdings Inc., et al.,**

08-13555

\_\_\_\_\_  
Debtors.

**JUNE 2018 POST-EFFECTIVE OPERATING REPORT**

JUNE 1, 2018 – JUNE 30, 2018

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
c/o KRISTINE DICKSON  
CHIEF FINANCIAL OFFICER  
277 PARK AVENUE  
46th FLOOR  
NEW YORK, NY 10172

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP  
c/o JACQUELINE MARCUS, GARRETT A. FAIL  
767 FIFTH AVENUE  
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: July 30, 2018

Pg 2 of 5  
**SCHEDULE OF DEBTORS**

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

|  | Case No. | Date Filed<br>(“Commencement<br>Date”) |
|--|----------|--|
| Lehman Brothers Holdings Inc. (“LBHI”) .....           | 08-13555 | 9/15/2008                              |
| Lehman Brothers Commodity Services Inc. (“LBCS”) ..... | 08-13885 | 10/3/2008                              |
| Lehman Brothers Special Financing Inc. (“LBSF”) .....  | 08-13888 | 10/3/2008                              |
| Lehman Brothers OTC Derivatives Inc. (“LOTC”).....     | 08-13893 | 10/3/2008                              |
| Lehman Commercial Paper Inc. (“LCPI”).....             | 08-13900 | 10/5/2008                              |
| Lehman Brothers Commercial Corporation (“LBCC”) .....  | 08-13901 | 10/5/2008                              |
| BNC Mortgage LLC .....                                 | 09-10137 | 1/9/2009                               |
| Structured Asset Securities Corporation.....           | 09-10558 | 2/9/2009                               |

The following Debtors’ chapter 11 cases were closed in 2016 and 2018, pursuant to final decrees entered by the Bankruptcy Court (Docket No. 51920, No. 54163, and No. 58257):

|   | Case No. | Date Filed | Date Closed |
|---|----------|------------|-------------|
| LB 745 LLC.....   | 08-13600 | 9/16/2008  | 1/28/2016   |
| PAMI Statler Arms LLC.....                                  | 08-13664 | 9/23/2008  | 1/28/2016   |
| CES Aviation LLC .....                                      | 08-13905 | 10/5/2008  | 1/28/2016   |
| CES Aviation V LLC.....                                     | 08-13906 | 10/5/2008  | 1/28/2016   |
| CES Aviation IX LLC .....                                   | 08-13907 | 10/5/2008  | 1/28/2016   |
| LB 2080 Kalakaua Owners LLC .....                           | 09-12516 | 4/23/2009  | 1/28/2016   |
| LB Somerset LLC .....                                       | 09-17503 | 12/22/2009 | 1/28/2016   |
| LB Preferred Somerset LLC .....                             | 09-17505 | 12/22/2009 | 1/28/2016   |
| East Dover Limited.....                                     | 08-13908 | 10/5/2008  | 12/15/2016  |
| Luxembourg Residential Properties Loan Finance S.a.r.l..... | 09-10108 | 1/7/2009   | 12/15/2016  |
| Merit LLC.....  | 09-17331 | 12/14/2009 | 12/15/2016  |
| Lehman Brothers Derivative Products Inc. (“LBDP”) .....     | 08-13899 | 10/5/2008  | 06/14/2018  |
| Lehman Brothers Financial Products Inc. (“LBFP”) .....      | 08-13902 | 10/5/2008  | 06/14/2018  |
| Lehman Scottish Finance L.P. ....                           | 08-13904 | 10/5/2008  | 06/14/2018  |
| LB Rose Ranch LLC .....                                     | 09-10560 | 2/9/2009   | 06/14/2018  |

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

**Please email questions, with document references as relevant, to:**

**[QUESTIONS@lehmanholdings.com](mailto:QUESTIONS@lehmanholdings.com)**

**The Company’s previously posted responses can be found on the Epiq website maintained for the Company:**

**[www.lehman-docket.com](http://www.lehman-docket.com) under the Key Documents tab and the Responses to Questions Submitted category**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES****BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
JUNE 1, 2018 – JUNE 30, 2018**

The information and data included in this June 2018 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

**Other items:**

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, and investment grade corporate bonds and commercial paper.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
  - Cash posted as collateral for hedging activity; and
  - Cash held at third party real estate asset managers.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
June 1, 2018 - June 30, 2018

Pg 4 of 5

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

|  |     | Debtors       |               |              |               | Debtor-Controlled<br>Entities | Total Debtors and<br>Debtor-Controlled<br>Entities |
|--|-----|---------------|---------------|--------------|---------------|-------------------------------|--|
|  |     | LBHI          | LBSF          | LCPI         | Other         | Total                         | Total  |
| <b>Beginning Free Cash and Investments (06/01/18)</b>  |     | <b>\$ 47</b>  | <b>\$ 16</b>  | <b>\$ 9</b>  | <b>\$ 14</b>  | <b>\$ 86</b>                  | <b>\$ 93</b>                                       |
| <b>Sources of Cash</b>                                 |     |               |               |              |               |                               |  |
| Commercial Real Estate                                 |     | 0             | -             | -            | -             | 0                             | 0  |
| Loans (Corporate and Residential)                      |     | 1             | -             | -            | -             | 1                             | 2  |
| Private Equity / Principal Investing                   | (a) | 0             | -             | -            | -             | 0                             | 30   |
| Derivatives  |     | -             | 25            | -            | -             | 25                            | 25   |
| Receipts from Affiliates                               | (b) | 69            | -             | -            | -             | 69                            | 69   |
| Other  | (c) | 17            | 0             | (0)          | 0             | 17                            | 17   |
| <b>Total Sources of Cash</b>                           |     | <b>87</b>     | <b>25</b>     | <b>(0)</b>   | <b>0</b>      | <b>112</b>                    | <b>142</b>   |
| <b>Uses of Cash</b>                                    |     |               |               |              |               |                               |  |
| Non-Operating  |     |               |               |              |               |                               |  |
| Commercial Real Estate                                 |     | (0)           | -             | 0            | -             | 0                             | 0  |
| Private Equity / Principal Investing                   |     | -             | -             | -            | -             | -                             | (0)  |
| Other  |     | (0)           | -             | -            | -             | (0)                           | (0)  |
| Operating Expenses                                     | (d) | (8)           | (0)           | (0)          | (0)           | (8)                           | (8)  |
| <b>Total Uses of Cash</b>                              |     | <b>(8)</b>    | <b>(0)</b>    | <b>0</b>     | <b>(0)</b>    | <b>(8)</b>                    | <b>(8)</b>   |
| <b>Total Cash From Operations</b>                      |     | <b>79</b>     | <b>25</b>     | <b>0</b>     | <b>0</b>      | <b>105</b>                    | <b>134</b>   |
| Post-Petition Inter-Company Receipts                   |     | 3             | -             | -            | -             | 3                             | 5  |
| Dividend Receipts                                      |     | 0             | -             | -            | -             | 0                             | 2  |
| <b>Total Inter-Company Transfers Receipts</b>          |     | <b>3</b>      | <b>-</b>      | <b>-</b>     | <b>-</b>      | <b>3</b>                      | <b>7</b>   |
| Post-Petition Inter-Company Disbursements              |     | (0)           | -             | (0)          | -             | (0)                           | (5)  |
| Dividend Disbursements                                 |     | (0)           | -             | -            | -             | (0)                           | (2)  |
| <b>Total Inter-Company Transfers Disbursements</b>     |     | <b>(0)</b>    | <b>-</b>      | <b>(0)</b>   | <b>-</b>      | <b>(1)</b>                    | <b>(7)</b>   |
| Payments to Creditors - Other                          |     | (0)           | -             | -            | -             | (0)                           | (6)  |
| <b>Total Payments to Creditors</b>                     |     | <b>(0)</b>    | <b>-</b>      | <b>-</b>     | <b>-</b>      | <b>(0)</b>                    | <b>(6)</b>   |
| Other  |     | 1             | (0)           | (0)          | (0)           | 1                             | 1  |
| Reclass from/(to) Restricted Cash to Free Cash         |     | 8             | 0             | 0            | 0             | 8                             | 16   |
| Net changes in Free Cash and Investments               |     | 90            | 25            | 0            | 0             | 116                           | 146  |
| <b>Ending Free Cash and Investments (06/30/18)</b>     |     | <b>137</b>    | <b>42</b>     | <b>9</b>     | <b>14</b>     | <b>202</b>                    | <b>324</b>   |
| <b>Beginning Restricted Cash (06/01/18)</b>            |     | <b>378</b>    | <b>424</b>    | <b>14</b>    | <b>118</b>    | <b>934</b>                    | <b>31</b>  |
| Other  |     | -             | -             | -            | -             | -                             | (8)  |
| Operating Expenses and Incentive Fees                  |     | (8)           | (0)           | (0)          | (0)           | (8)                           | (8)  |
| Net Changes in Restricted Cash                         |     | (8)           | (0)           | (0)          | (0)           | (8)                           | (9)  |
| <b>Ending Restricted Cash (06/30/18)</b>               |     | <b>370</b>    | <b>424</b>    | <b>14</b>    | <b>118</b>    | <b>926</b>                    | <b>22</b>  |
| <b>Beginning Total Cash and Investments (06/01/18)</b> |     | <b>425</b>    | <b>441</b>    | <b>23</b>    | <b>131</b>    | <b>1,020</b>                  | <b>124</b>   |
| Net changes in Free Cash and Investments               |     | 90            | 25            | 0            | 0             | 116                           | 30   |
| Net changes in Restricted Cash                         |     | (8)           | (0)           | (0)          | (0)           | (8)                           | (9)  |
| <b>Ending Total Cash and Investments (06/30/18)</b>    |     | <b>\$ 507</b> | <b>\$ 466</b> | <b>\$ 23</b> | <b>\$ 131</b> | <b>\$ 1,128</b>               | <b>\$ 145</b>                                      |
|  |     |               |               |              |               |                               | <b>\$ 1,273</b>                                    |

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Schedule of Cash Receipts and Disbursements**  
**June 1, 2018 - June 30, 2018**

Unaudited (\$)

**Notes:**

- (a) Cash collections at Debtor-Controlled Entities primarily include receipts from the sale of a limited partnership interest.
- (b) Receipts from Affiliates at LBHI primarily include (i) \$41 million from Lehman Brothers ODC1 Ltd ("ODC1"), (ii) \$20 million from Lehman Brothers Finance S.A., and (iii) \$7 million from Lehman Commercial Mortgage Conduit Limited. Approximately \$40 million of LBHI's receipts from ODC1 were collected on behalf of Lehman Brothers Holdings Scottish LP 3, a Debtor-Controlled entity.
- (c) Other at LBHI primarily includes receipts of (i) \$15.5 million related to the redemption of preferred stock in Lehman Brothers U.K. Holdings (Delaware) Inc. ("LUK"), and (ii) \$0.7 million related to dividend payments on preferred stock in LUK and Lehman Pass-Through Securities Inc. ("LPTSI") held by LBHI. Refer to the Quarterly Financial Report as of April 5, 2018 [Docket No. 58442] for additional information on the LUK and LPTSI stock and note sale.
- (d) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Debtors and Debtor-Controlled Entities.